

June 2003

ECONOMIC AND REVENUE FORECAST

FISCAL YEAR 2003 4th Quarter



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Doug Sutherland - Commissioner of Public Lands

June 2003 ECONOMIC AND REVENUE FORECAST

FISCAL YEAR 2003 4TH QUARTER

prepared by:
Bruce P. Glass
Economics Team Leader
Office of Budget and Economics
May 2003

Persons needing this information
in an alternate format may call
(360) 705-0582 or TTY (360) 902-1125



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Doug Sutherland - Commissioner of Public Lands

Accurate reproduction of information in this forecast is welcomed.
Acknowledgment of the source would be appreciated.

ACKNOWLEDGMENTS

The quarterly revenue forecast is a collaborative effort. It is the product of information provided by private individuals and organizations, and DNR staff. Without their contributions this forecast could not be completed.

An absolutely critical component of this forecasting work are the purchasers of DNR timber. These busy individuals and companies willingly provide information that is essential to the process of estimating harvest volumes.

Many DNR staff also contribute to the forecast. Those persons who provide data or forecasts of revenue flows for their areas of responsibility make an especially significant contribution, and I especially thank Paul Penhallegon in this regard. Also, other DNR staff have provided valuable and constructive feedback on drafts of this forecast report, including Phil Aust, Dave Larsen, Peggy Murphy, Quynh Nguyen, and Jim Smego.

I am grateful to Marie Dinsmore, Judy Holman, and Billie-Lynn Wyckoff for help and initiative in conducting the purchaser survey efficiently and effectively.

Bruce P. Glass
May 22, 2003

MAJOR POINTS OF THE JUNE 2003 FORECAST

■ US Macroeconomic Conditions & Trends

- The US economy is struggling to shrug off the recent recessionary downturn, and deflationary risks continue to loom over the economy.
- In recognition of sluggish domestic economic conditions, the Federal Reserve Bank (FRB) target for the rate at which banks borrow money from each other (the federal funds rate) now stands at 1.25%, close to a 40-year low. The FRB has also indicated that future downward shifts in this rate are possible if needed, in order to stave off potential deflationary pressures.
- Consumer confidence remains relatively low, particularly in the face of uncertainty generated by relatively high rates of unemployment, and the outcome of geopolitical events (including but not necessarily limited to rebuilding Iraq).
- Business confidence is also relatively low, amid signs that corporate cost cutting continues, and that low operating rates (implying unutilized capacity) are constraining investment expenditures.
- The US dollar is depreciating on a trade-weighted basis, and may provide a mild--and necessary--inflationary boost for the economy. Continued depreciation of the US dollar also holds the prospect of some relief for domestic softwood lumber producers from foreign competition, by making imported product relatively more expensive in US dollar terms.
- The May 2003 Blue Chip consensus estimate of real gross domestic product (GDP) growth for calendar year (CY) 2003 has declined from 2.8% in November 2002 (a

level held through January 2003) to 2.3% in May 2003. The May 2003 consensus estimate of real GDP growth for CY 2004 stands at 3.6%, unchanged since January 2003.

■ Japanese Macroeconomic Conditions & Trends

- Japan continues to experience severe deflationary pressures. These pressures are reflected in May 2003 Consensus estimates of inflation at the consumer price level, i.e., -0.6% and -0.3% for CY 2003 and CY 2004 respectively, following on from estimates of -0.7% in CY 2001 and -0.9% in CY 2002. They are also reflected in changes at the wholesale price level (-0.9 in CY 2001 and -1.9% in CY 2002).
- The May 2003 Blue Chip consensus anticipates real GDP growth in 2003 will be positive in both CY 2003 (0.8%) and CY 2004 (1.1%). [Note that prices can sometimes move independently of economic growth, i.e., deflation does not necessarily imply negative real GDP growth.]

■ Implications of Macroeconomic Conditions for Forecast

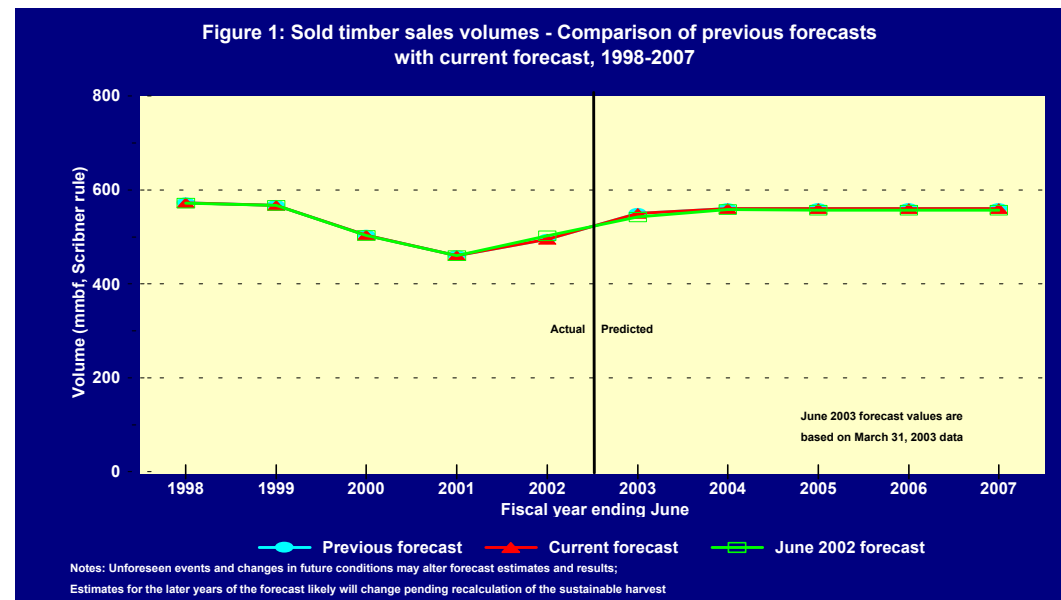
- US housing starts closed out CY 2002 at 1.70 million/year, and are forecast to remain at relatively high (by historical standards) levels through CY 2007 (seasonally adjusted rates). However, housing is not expected to be dramatically responsive to economic recovery, even if (as looks likely) interest rates remain low for the next 12 months or so. The relatively buoyant housing sector during the recent recession means that pent-up housing demand likely will be minimal during economy recovery (particularly if some commentators' warnings of possible housing bubbles prove well-founded).
- US repair and remodelling expenditures are also expected to remain at relatively high levels compared with prior years.

- Japanese housing starts are expected to decline from about 1.15 million/year in CY 2002 to less than 1.10 million per year in CY 2006, potentially reflecting reduced demand for wood products.
- Long-term changes in trade flows for raw materials and finished products are likely as manufacturing capacity for wood products and their substitutes moves out of Japan to other countries. In particular, the importance of the People's Republic of China as both a market and regional processing center is expected to increase, the more so given increased construction activity in advance of the 2008 Olympic Games (to be staged in Beijing).

■ **Sold Timber Sale Volumes:** Compared with the March 2003 forecast, sold target timber sale volumes are unchanged (Figure 1, Table 1).

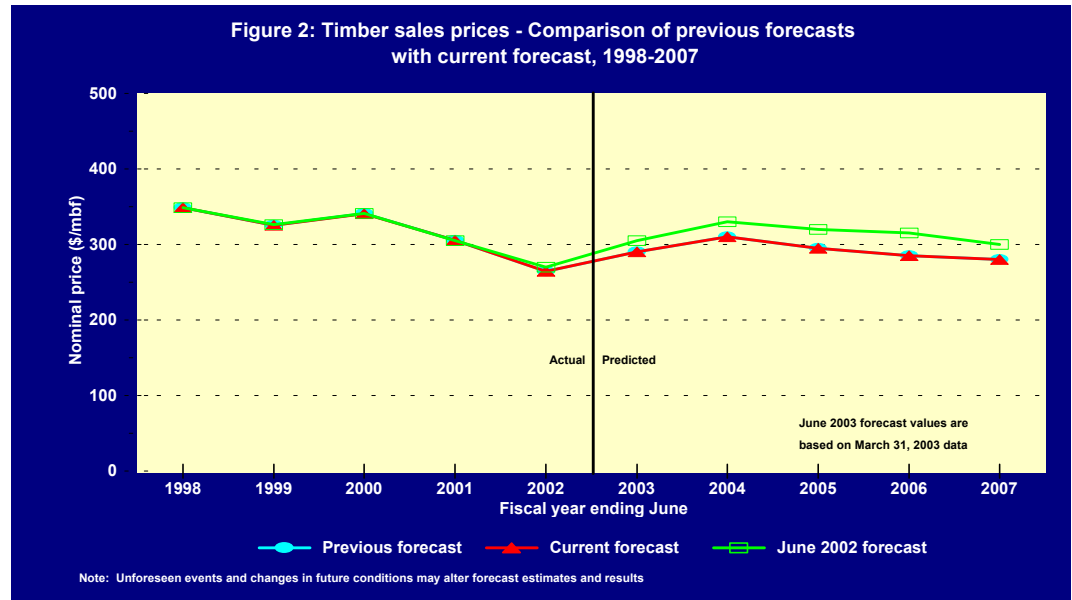
- Sold timber volume for FY 02 was 495 MMbf, some 8% above the FY 01 level.
- Sold timber volume for FY 03 to the end of March 2003 was approximately 369 MMbf, equivalent to about 60% of the FY 03 sold target volume three quarters of the way through the fiscal year, because the department withheld sales until October 2002 in the face of litigation challenging certain aspects of the timber sales process. This litigation has not changed the department's 550 MMbf sale target for FY 03 in this forecast (approximately 13% higher than the FY 02 level).
- Sales volume estimates for the later years of the forecast likely will change following recalculation of the sustainable harvest. The Board of Natural Resources is presently

slated to consider adoption of the recalculated sustainable harvest during the latter half of CY 2003 or after the start of CY 2004.



■ **Timber Sale Prices:** Compared with the March 2003 forecast, estimated timber prices are unchanged for the entire forecast period (Figure 2, Table 1).

- As an indication of current market conditions, softwood lumber prices have declined from \$339/Mbf in March 2002 to a low of \$265/Mbf in November 2002 (Random Lengths framing lumber composite price index), and have languished about the \$280/Mbf level since. This represents a decrease of some 17%.
- Near-term outlook for DNR timber sales prices: seasonal changes aside, look for flat to slightly increasing stumpages. Depending on the extent to which benefits are captured in bid premiums, depreciation of the US dollar relative to the the Canadian dollar, the Yen, and the Euro, and certain other currencies may be helpful to the department in this respect, by making US imports of softwood logs and lumber relatively more expensive compared with domestic-sourced product, and by making US lumber exports relatively cheaper than other product in foreign markets (though softwood log and lumber export volumes are small compared with the domestic market).
- Long-term outlook for DNR timber sales prices:
 1. At best, real (i.e., inflation-adjusted) softwood stumpages are likely to remain fairly constant over the forecast period, implying little change in the purchasing power of timber revenues due to inflation (assuming timber harvest volume remains unchanged).
 2. A less likely but still possible scenario is that real stumpages will decline compared with estimates provided in this forecast, reducing the purchasing power of timber revenues for both beneficiaries and the department.

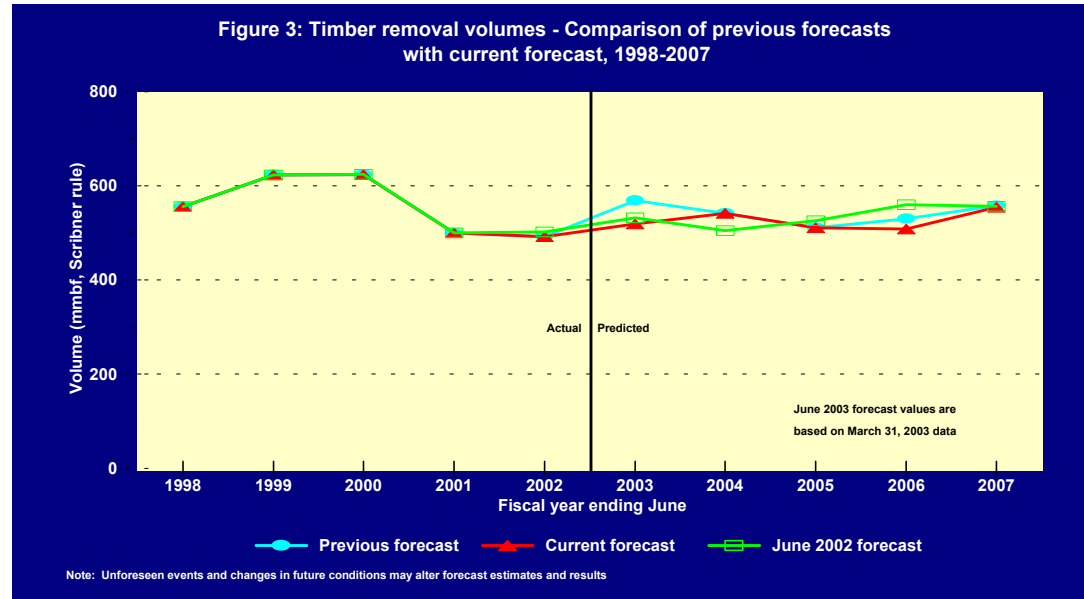


- Factors contributing to the outlook for forecast timber sales prices include:
 1. Increased softwood lumber imports from Canada in the wake of increased lumber production in western Canada, induced in part by a switch to price-based import regulation (including an *ad valorem* tariff and an anti-dumping duty) instead of the quantitative import controls of the now expired Softwood Lumber Agreement, and in part by accelerated harvest in interior British Columbia forests in response to serious forest health problems;
 2. Softwood log imports from Canada into the western USA--these have increased sharply over the last one to two years (Refer to the Appendix in the June 2001 forecast and the September 2001 forecast for more details), and appear to be diluting purchaser interest in sales offered by the department (thereby depressing prices);

3. Increasing softwood lumber imports from countries other than Canada, and especially from plantation sources;
4. Increasing competition in export markets--particularly in Japan--for both softwood logs and lumber, increasing the supply of these products in the domestic market; and
5. Increasing substitution of both wood and non-wood products for solid wood products, especially in engineering end use applications.

■ **Timber Removal Volumes:** Compared with the March 2003 forecast, estimated timber removal volumes are reduced sharply for FY 03, and increased slightly for FY 06 and FY 07 (Figure 3, Table 1). The change for FY 03 largely results from overestimating removals in the March 2003 forecast.

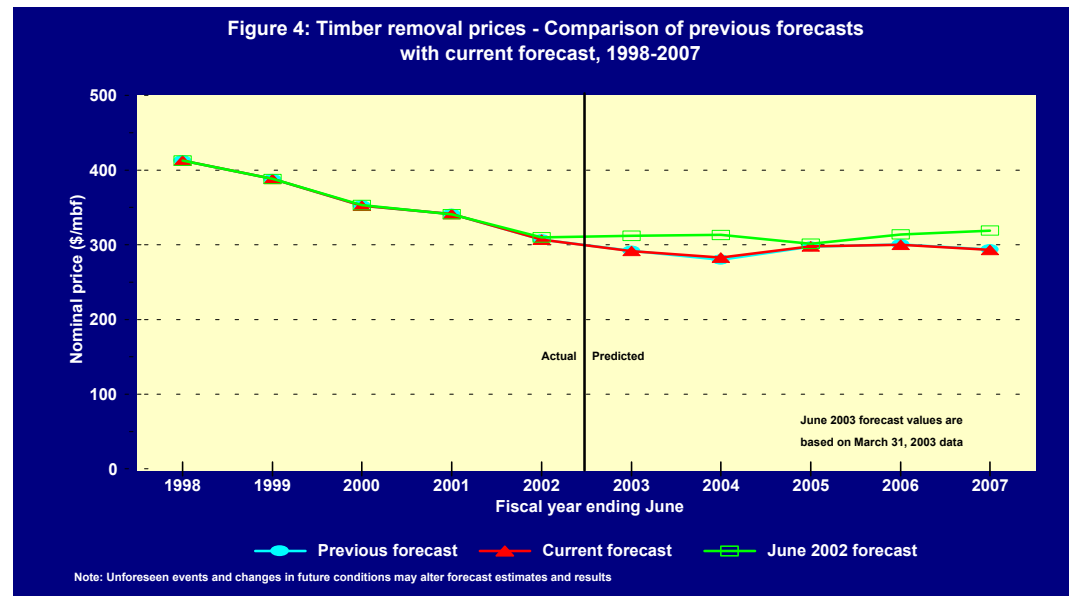
- By the end of March 2003, purchasers had harvested about 361 MMbf, relatively slow by historical standards. In order for removals to achieve the level implied by the estimate of the March 2003 forecast, the necessary removal rate would need to be substantially higher than the average removal rate for the fourth quarter over the last 5 years. This prospect was considered overly optimistic, so the forecast was therefore modified accordingly, in line with the historical removals record.
- The upward trend in removals for FY 05-07 assumes the department will meet its sold timber volume targets for those (and prior) years.



- Timber removal volumes have not responded as strongly as might be implied by the present high level of housing starts. Increased volumes of imported softwood lumber and logs have tended to displace demand for sawtimber that might otherwise have been drawn from DNR-managed lands.
- **Uncut Timber Inventory Under Contract:** Compared with the March 2003 forecast, uncut timber under contract at the end of FY 07 is some 76 MMbf higher in volume terms, and nearly \$22 million higher in value terms (Table 1), reflecting changes in removal estimates.
- At the end of FY 07 uncut inventory under contract is estimated to be 887 MMbf, worth \$249 million (average of \$280/Mbf), compared with 726 MMbf, worth \$204 million (average of \$281/Mbf) at the end of the March 2003 quarter (Table 1).

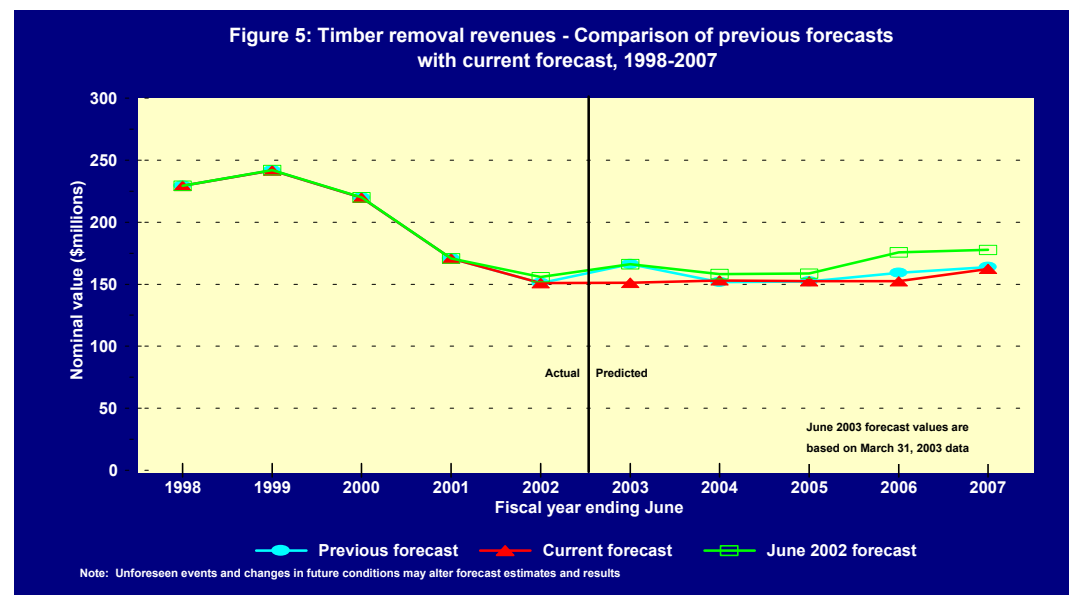
- **Timber Removal Prices:** Compared with the March 2003 forecast, timber removal prices are virtually unchanged over the forecast period (Figure 4, Table 1), largely reflecting the unchanged estimates of sales prices.

- Minor changes in timber removal price estimates reflect changes in sales worked by purchasers responding to perceived market prospects and sale contract obligations.

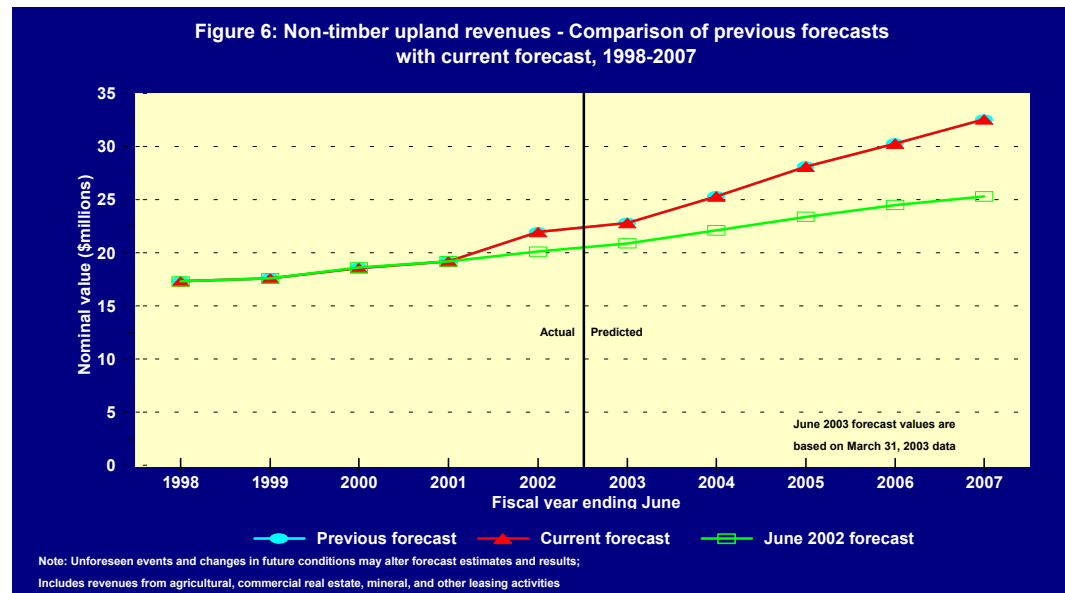


- **Timber Removal Revenues:** Compared with the March 2003 forecast, timber removal revenues are forecast to be \$15 million (9%) lower in FY 03 and over \$1 million (1%) higher in FY 04. Little change in revenues is anticipated in FY 05, but revenue estimates for FY 06 and FY 07 have been revised downward by \$7 million (4%) and over \$1 million (1%) respectively (Figure 5, Tables 1 & 2).

- Changes in estimated timber removal revenues reflect the effects of revised estimates of timber removal volumes.

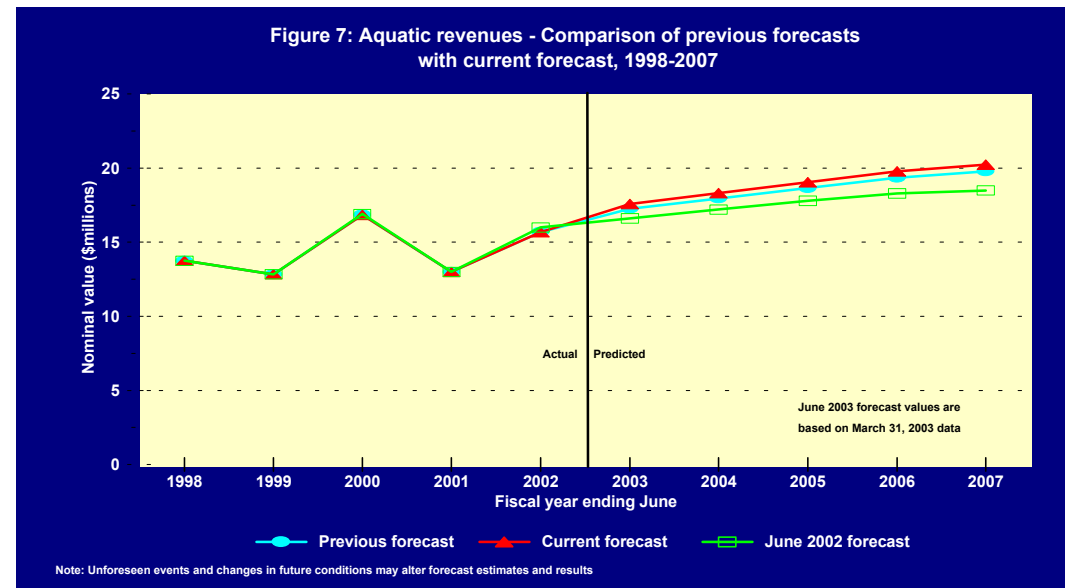


- **Non-timber Upland Revenues:** Compared with the March 2003 forecast, estimates of non-timber upland revenues are unchanged from levels previously estimated (Figure 6, Table 2).



- **Aquatic Revenues:** Compared with the March 2003 forecast, aquatic revenues are estimated to be about 2% (\$0.3 million to \$0.5 million) higher than previous estimates (Figure 7, Table 2).

- Changes in estimated revenues reflect effects of including an additional three months' worth of data in re-estimating underlying forecast models.
- Significant downside risk is associated with estimated FY 03 revenues. The Severe Acute Respiratory Syndrome (SARS) epidemic in East Asia is reducing geoduck demand, as people avoid congregating in places (such as restaurants) where there is potential for exposure to the disease. At this time, it is not

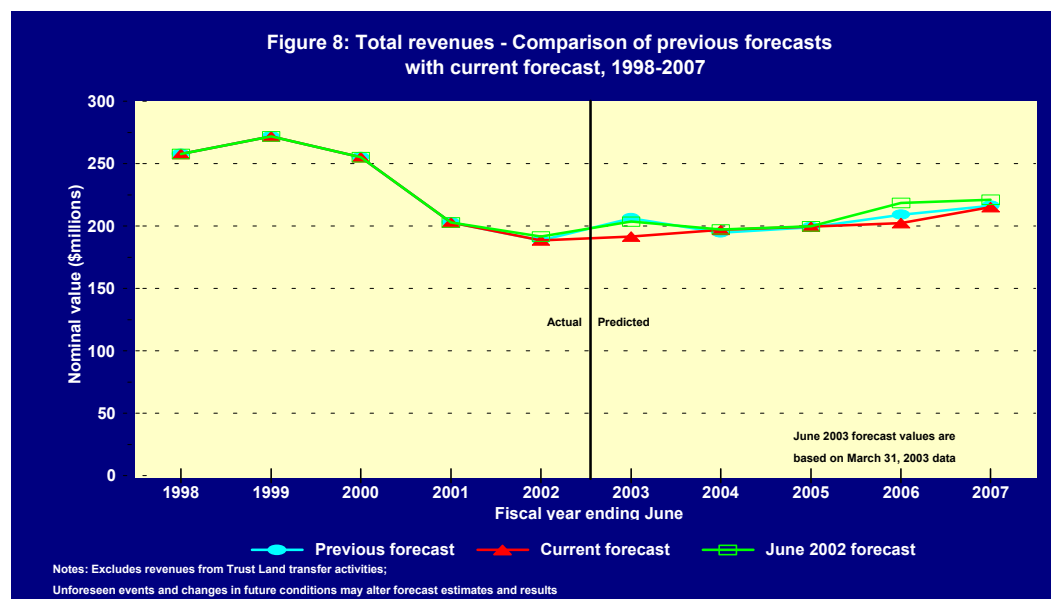


possible to determine revenue impacts, and the department is presently working on possible responses to the situation.

- Otherwise, forecast aquatic revenues continue to assume future revenues will follow trends exhibited by past revenue receipts, and do not explicitly take into account factors with potentially major revenue impacts (e.g., revisions to geoduck harvest levels, and biological factors such as green crab infestation and paralytic shellfish poisoning).

- **Total Revenues:** Total revenues are forecast to be nearly \$15 million lower in FY 03, but are estimated to be nearly \$2 million higher in FY 04, compared with the March 2003 forecast (Figure 8, Table 2). Little forecast-to-forecast change is anticipated in FY 05 revenues, but revenue estimates for FY 06 and FY 07 are reduced by about \$7 million and \$1 million respectively. These changes in total revenues reflect changes in forecast timber removal revenues (for reasons noted on preceding pages).

- Actual revenues for FY 03 may fall short of the revised June 2003 forecast estimate, depending upon the impact of the SARS epidemic on geoduck revenues.
- Excluding Trust Land Transfers, total revenues are forecast to increase slightly to over \$191 million in FY 03 from \$188.6 million in FY 02. Total revenues are then forecast to increase through the remainder of the forecast period to about \$215 million in FY 07.
- Revenues to trust beneficiaries from the resource transfer component of Trust Land Transfers are reported but not



estimated in the forecast. Trust Land Transfer program staff reported these revenues to reach about \$40.0 million during FY 02 and FY 03, i.e., \$8.6 million in FY 02 and \$31.4 million in FY 03 (Footnote 1, Table A2).

- Beneficiary and management revenues follow the same trend as total revenues (Tables A2 and A3).

■ Some Uncertainty Caveats:

- Impacts associated with the SARS epidemic are expected to have a negative, presently unquantifiable, impact on geoduck revenues for FY 03. Adverse impacts on FY 04 revenues are also possible, but at this stage are considered unlikely.
- Target sold timber sale volumes for the later years of the forecast likely will change as a result of the recalculation of the sustainable harvest for DNR-managed trust lands.
- Operational changes being undertaken in the department's timber sales programs will be factored into the forecast as appropriate, over time. These changes include streamlining the timber sales process, and changes in the prospective quality of the timber sales product mix.
- Operational changes being undertaken in the department's nontimber product sales and leasing programs are also expected to influence revenue returns from land management activities. These changes are factored into this forecast (e.g., increasing emphasis on commercial real estate leases).
- Market impacts of changes in timber supply from outside the Pacific Northwest region are expected to contribute to increasingly competitive domestic and foreign lumber and sawtimber markets, e.g., foreign log and lumber supplies, substitutes for solid wood products. These impacts may be tempered (or exacerbated) by exchange rate movements.
- Timing of an upturn in economic conditions, especially in the US economy.
- Budgetary challenges arising out of the 2003 legislative session, and their possible impacts upon the department's trust land management programs during the FY 03-05 biennium.

Table 1a: Projected trust land timber sales, removals and revenues

Fiscal year		Actual 2001	Actual 2002	Actual FY 2003 7/1/2002 to 3/31/2003	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
Sold timber sales									
	Volume (mmbf)	460	495	370	550	560	560	560	560
	Price (\$/mbf)	\$305	\$264	\$287	\$290	\$310	\$295	\$285	\$280
Ending uncut inventory under contract									
	Volume (mmbf)	737	731	726	762	780	829	881	887
	Value (\$millions)	\$227.8	\$205.6	\$203.8	\$213.9	\$234.3	\$247.1	\$254.3	\$248.7
	Price (\$/mbf)	\$309	\$281	\$281	\$281	\$300	\$298	\$289	\$280
Timber removals									
	Volume (mmbf)	500	492	361	519	542	511	508	554
	Price (\$/mbf)	\$341	\$307	\$290	\$292	\$283	\$298	\$300	\$293
Timber removal revenue (\$millions)		\$170.6	\$150.9	\$104.9	\$151.2	\$153.2	\$152.4	\$152.4	\$162.5

Note: Totals may not add due to rounding

Note: Year-to-date sold timber sales are lower than expected due to litigation prompting withdrawal of sales for the September quarter. This litigation has not changed the department's 550 mmbf sale target for FY 03 in this forecast.

Table 1b: Change from previous forecast

Fiscal year		2001	2002	Change since last quarter	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
Sold timber sales									
	Volume (mmbf)	0	0	171	0	0	0	0	0
	Price (\$/mbf)	\$0	(\$0)	\$5	\$0	\$0	\$0	\$0	\$0
Ending uncut inventory under contract									
	Volume (mmbf)	0	0	54	50	50	50	72	76
	Value (\$millions)	(\$0.1)	(\$0.1)	\$15.4	\$14.9	\$13.3	\$13.1	\$20.2	\$21.6
	Price (\$/mbf)	(\$0)	(\$0)	\$0	\$1	(\$2)	(\$2)	(\$1)	\$0
Timber removals									
	Volume (mmbf)	0	0	108	(50)	0	0	(22)	(4)
	Price (\$/mbf)	\$0	\$0	\$7	(\$1)	\$3	\$0	(\$1)	(\$0)
Timber removal revenue (\$millions)		\$0.0	\$0.0	\$33.0	(\$15.0)	\$1.6	\$0.2	(\$7.0)	(\$1.4)

Note: Totals may not add due to rounding

Table 2a: Projected trust land revenue by source (\$millions)

Fiscal year	Actual 2001	Actual 2002	Actual FY 2003 7/1/2002 to 3/31/2003	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
Timber removal revenue	\$170.6	\$150.9	\$104.9	\$151.2	\$153.2	\$152.4	\$152.4	\$162.5
Agricultural and mineral revenue	\$13.5	\$14.4	\$10.0	\$14.8	\$15.8	\$17.1	\$17.8	\$18.6
Commercial real estate revenue	\$5.7	\$7.5	\$5.8	\$8.0	\$9.5	\$11.0	\$12.5	\$14.0
Aquatic revenue	\$13.0	\$15.7	\$15.1	\$17.6	\$18.3	\$19.0	\$19.8	\$20.2
Trust land transfer (resource value)	\$31.9	\$8.6	\$5.9	\$31.4	\$0.0	\$0.0	\$0.0	\$0.0
Total revenue, excluding trust land transfer	\$202.8	\$188.1	\$136.4	\$191.6	\$196.8	\$199.6	\$202.4	\$215.3

Note: Totals may not add due to rounding

Table 2b: Change from previous forecast (\$millions)

Fiscal year	Actual 2001	Actual 2002	Change since last	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
Timber removal revenue	\$0.0	\$0.0	\$33.0	(\$15.0)	\$1.6	\$0.2	(\$7.0)	(\$1.4)
Agricultural and mineral revenue	\$0.0	\$0.0	\$3.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commercial real estate revenue	\$0.0	\$0.0	\$1.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Aquatic revenue	\$0.0	\$0.0	\$4.3	\$0.3	\$0.4	\$0.4	\$0.4	\$0.5
Trust land transfer (resource value)	\$0.0	\$0.0	\$1.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total revenue, excluding trust land transfer	\$0.0	\$0.0	\$42.8	(\$14.6)	\$1.9	\$0.6	(\$6.6)	(\$0.9)

Note: Totals may not add due to rounding

Table A2: Projected trust revenues by fund and fiscal year, June 2003 forecast, 2000-2007 (\$millions)

Fiscal year	2000	2001	2002	Actual 2003 to 03/31/03	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
MANAGEMENT ACCOUNTS									
041 RMCA - UPLAND	\$30.9	\$24.9	\$22.2	\$14.3	\$21.4	\$23.4	\$24.3	\$25.7	\$27.6
041 RMCA - AQUATIC	\$7.2	\$5.4	\$6.4	\$6.5	\$7.4	\$7.7	\$8.0	\$8.3	\$8.5
014 FDA	\$26.4	\$20.5	\$19.8	\$15.1	\$20.7	\$19.9	\$19.1	\$18.3	\$19.1
	-----	-----	-----	-----	-----	-----	-----	-----	-----
	\$64.4	\$50.7	\$48.4	\$35.8	\$49.5	\$51.0	\$51.4	\$52.3	\$55.3
CURRENT FUNDS									
113 COMMON SCHOOL CONSTRUCTION	\$66.0	\$52.2	\$44.1	\$30.6	\$44.9	\$48.2	\$52.1	\$55.6	\$60.3
999 FOREST BOARD COUNTIES	\$81.0	\$64.0	\$58.5	\$44.4	\$60.5	\$56.7	\$58.4	\$55.8	\$59.1
001 GENERAL FUND	\$5.2	\$3.8	\$4.3	\$2.5	\$3.9	\$5.4	\$3.2	\$2.9	\$2.7
348 UNIVERSITY BOND RETIREMENT	\$0.3	\$1.1	\$0.5	\$0.7	\$1.1	\$0.6	\$0.8	\$0.9	\$1.0
347 WSU BOND REPAYMENT	\$0.5	\$0.7	\$0.8	\$0.5	\$0.9	\$0.9	\$1.0	\$1.0	\$1.1
042 CEP&RI	\$5.1	\$3.8	\$3.9	\$3.6	\$5.0	\$6.1	\$4.0	\$3.8	\$3.9
036 CAPITOL BUILDING CONSTRUCTION	\$8.2	\$6.5	\$7.6	\$4.1	\$5.5	\$6.3	\$6.4	\$6.7	\$7.2
061/3/5/6 NORMAL (CWU, EWU, WWU, TESC) SCHOOL	\$0.1	\$0.1	\$0.1	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
OTHER FUNDS	\$0.0	\$0.1	\$0.2	\$0.0	\$0.1	\$0.1	\$0.2	\$0.2	\$0.1
	-----	-----	-----	-----	-----	-----	-----	-----	-----
	\$166.4	\$132.3	\$120.0	\$86.6	\$122.0	\$124.5	\$126.0	\$127.0	\$135.5
AQUATIC LANDS ENHANCEMENT ACCOUNT									
02R AQUATIC LANDS	\$9.7	\$7.6	\$9.3	\$8.6	\$10.2	\$10.6	\$11.1	\$11.5	\$11.8
PERMANENT FUNDS									
601 AGRICULTURAL COLLEGE	\$2.6	\$1.8	\$1.1	\$2.0	\$2.9	\$2.4	\$2.3	\$2.4	\$3.2
604 NORMAL SCHOOL PERMANENT	\$5.5	\$4.3	\$4.0	\$1.5	\$2.3	\$3.8	\$2.9	\$2.8	\$2.7
605 COMMON SCHOOL PERMANENT	\$1.0	\$0.8	\$0.9	\$0.2	\$0.7	\$0.9	\$1.1	\$1.2	\$1.2
606 SCIENTIFIC PERMANENT	\$4.7	\$4.7	\$4.3	\$1.5	\$3.7	\$3.1	\$4.4	\$4.9	\$5.3
607 UNIVERSITY PERMANENT	\$1.0	\$0.6	\$0.7	\$0.3	\$0.5	\$0.6	\$0.4	\$0.3	\$0.2
	-----	-----	-----	-----	-----	-----	-----	-----	-----
	\$14.7	\$12.2	\$10.9	\$5.4	\$10.0	\$10.7	\$11.1	\$11.6	\$12.7
TOTAL TO TRUST BENEFICIARY FUNDS									
	\$190.8	\$152.1	\$140.2	\$100.6	\$142.2	\$145.8	\$148.2	\$150.1	\$160.0
TOTAL ALL FUNDS									
	\$255.3	\$202.8	\$188.6	\$136.4	\$191.6	\$196.8	\$199.6	\$202.4	\$215.3

Notes:

- 1 - Excludes interest and trust land transfer monies, and includes operating transfers. Trust Land Transfer monies amounted to \$37.3 million in FY 1994-95, \$21.8 million in FY 1998-99, \$56.06 million in FY 2000-01, and \$40.0 million (estimate) in FY 2002-03, payable to the Common School Construction Fund.
- 2 - Upland RMCA does not include land bank transactions.
- 3 - Revenues reflect cash earnings from management activities only. Revenues from interest payments, fires assessments, permits, fees, etc. are not included.
- 4 - Totals may not add due to rounding.
- 5 - Projected values are forecast estimates, and should be interpreted in conjunction with the accompanying forecast document. Unforeseen events and changes in future conditions may alter forecast estimates and results.
- 6 - Data for all years are cash estimates, and not directly comparable with accrual figures presented in DNR Annual Reports.

Table A3: Change from March 2003 to June 2003 forecast-Projected trust revenues by fund and fiscal year, 2000-2007 (\$millions)

Fiscal year	2000	2001	2002	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
MANAGEMENT ACCOUNTS								
041 RMCA - UPLAND	\$0.0	\$0.0	\$0.0	(\$2.7)	\$1.6	(\$0.2)	(\$0.5)	\$0.1
041 RMCA - AQUATIC	\$0.0	\$0.0	\$0.0	\$0.1	\$0.2	\$0.2	\$0.2	\$0.2
014 FDA	\$0.0	\$0.0	\$0.0	(\$0.7)	(\$1.0)	\$0.1	(\$1.2)	(\$0.6)
	-----	-----	-----	-----	-----	-----	-----	-----
	\$0.0	\$0.0	\$0.0	(\$3.3)	\$0.7	\$0.0	(\$1.5)	(\$0.2)
CURRENT FUNDS								
113 COMMON SCHOOL CONSTRUCTION	\$0.0	\$0.0	\$0.0	(\$5.2)	\$4.0	(\$0.1)	(\$0.7)	\$0.3
999 FOREST BOARD COUNTIES	\$0.0	\$0.0	\$0.0	(\$3.0)	(\$4.3)	\$0.7	(\$3.4)	(\$1.3)
001 GENERAL FUND	\$0.0	\$0.0	\$0.0	(\$0.1)	\$0.5	\$0.0	(\$0.2)	(\$0.2)
348 UNIVERSITY BOND RETIREMENT	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.0)	(\$0.1)	(\$0.1)	(\$0.2)
347 WSU BOND REPAYMENT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
042 CEP&RI	\$0.0	\$0.0	\$0.0	(\$0.3)	(\$0.2)	\$0.3	(\$0.1)	\$0.0
036 CAPITOL BUILDING CONSTRUCTION	\$0.0	\$0.0	\$0.0	(\$0.8)	\$0.6	(\$0.5)	(\$0.4)	\$0.1
061/3/5/6 NORMAL (CWU, EWU, WWU, TESC) SCHOOL	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
OTHER FUNDS	\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)
	-----	-----	-----	-----	-----	-----	-----	-----
	\$0.0	\$0.0	\$0.0	(\$9.5)	\$0.5	\$0.2	(\$4.9)	(\$1.2)
AQUATIC LANDS ENHANCEMENT ACCOUNT								
02R AQUATIC LANDS	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2	\$0.2	\$0.2	\$0.3
PERMANENT FUNDS								
601 AGRICULTURAL COLLEGE	\$0.0	\$0.0	\$0.0	(\$0.3)	\$0.0	\$0.3	(\$0.1)	\$0.1
604 NORMAL SCHOOL PERMANENT	\$0.0	\$0.0	\$0.0	(\$0.4)	\$0.5	(\$0.2)	(\$0.1)	\$0.1
605 COMMON SCHOOL PERMANENT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
606 SCIENTIFIC PERMANENT	\$0.0	\$0.0	\$0.0	(\$1.2)	(\$0.0)	\$0.0	(\$0.1)	\$0.2
607 UNIVERSITY PERMANENT	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.1)	(\$0.0)	(\$0.0)	(\$0.1)
	-----	-----	-----	-----	-----	-----	-----	-----
	\$0.0	\$0.0	\$0.0	(\$2.0)	\$0.5	\$0.1	(\$0.4)	\$0.3
TOTAL TO TRUST BENEFICIARY FUNDS								
	\$0.0	\$0.0	\$0.0	(\$11.4)	\$1.2	\$0.5	(\$5.1)	(\$0.7)
TOTAL ALL FUNDS								
	\$0.0	\$0.0	\$0.0	(\$14.6)	\$1.9	\$0.6	(\$6.6)	(\$0.9)

Notes:

- 1 - Excludes interest and trust land transfer monies, and includes operating transfers. Trust Land Transfer monies amounted to \$37.3 million in FY 1994-95, \$21.8 million in FY 1998-99, \$56.06 million in FY 2000-01, and \$40.0 million (estimate) in FY 2002-03, payable to the Common School Construction Fund.
- 2 - Upland RMCA does not include land bank transactions.
- 3 - Revenues reflect cash earnings from management activities only. Revenues from interest payments, fires assessments, permits, fees, etc. are not included.
- 4 - Totals may not add due to rounding.
- 5 - Projected values are forecast estimates, and should be interpreted in conjunction with the accompanying forecast document. Unforeseen events and changes in future conditions may alter forecast estimates and results.
- 6 - Data for all years are cash estimates, and not directly comparable with accrual figures presented in DNR Annual Reports.